



Transaction Privilege Tax Changes and News

This publication is an informational notice included with the March 2006 Transaction Privilege Tax Return.

TOWN OF DIAMOND STAR ADOPTS MODEL CITY TAX CODE AND ENTERS STATE COLLECTIONS AND ADMINISTRATION PROGRAM

Effective April 1, 2006: On December 20, 2005 the Mayor and Town Council of the Town of Diamond Star passed ordinance number O05-04. Ordinance O05-04 adopts the Model City Tax Code for the Town of Diamond Star. Ordinance O05-04 provides that as of April 1, 2006, the Town of Diamond Star will participate in the State Collection and Administration Program.

The following reporting codes have been set up for Diamond Star:

Privilege Tax	DS 000	2.00%
Metalliferous Mining	DS 005	0.10%

The Town of Diamond Star taxes the following classifications:

Advertising; Amusements; Construction Contracting; Construction Contractors, Speculative Builders, and Owner Builders who are not speculative builders; Job Printing; Manufactured Buildings; Timbering and other extraction; Mining; Publishing; Hotels; Rental of real property; Rental of Tangible personal property; Restaurants and Bars; Retail; Telecommunications; Transporting for hire; and Utilities.

TOWN OF THATCHER

Effective May 1, 2006: On February 14, 2006 the Mayor and Town Council of the Town of Thatcher passed ordinance number 143-2006. Ordinance 143-2006 decreases the Thatcher Town Privilege Tax on food for home consumption from **2% to 1.5%**. The tax on food for home consumption shall be reported using **TC001**. Ordinance 143-2006 shall sunset on May 1, 2011.

911 WIRELESS AND WIRELINE RATE REDUCTION

Effective July 1, 2006: The Arizona State Legislature approved a decrease to the 911 Wireless Telecommunications tax (class 036) and the 911 Wireline Telecommunications tax (class 131) pursuant to A.R.S. §42-5252. The new monthly rate will be 28¢ per activated wireless and wireline service. For more information, check our web site (www.azdor.gov).

SANTA CRUZ COUNTY JAIL TAX

Effective July, 1, 2006: On November 8, 2005 voters approved the levy of a Santa Cruz County Jail Tax. The Jail Tax is to be applied at 10% of the Transaction Privilege Tax rate levied by the State of Arizona, (0.5% or .005 for most business classifications), as stated in A.R.S. §48-4022. The total combined rate for most transactions will be 6.6%.

[For prime contractors reporting under Class 15 *only*, prime contracting contracts entered into prior to the November 8 election may not be subject to the increase in the tax rate under specific conditions approved by the department. For more information, contact the department's Taxpayer Information & Assistance Section at (602) 255-2060 or (800) 843-7196, or check our web site (www.azdor.gov)]

CITY OF PAGE

Effective August 1, 2006: The Mayor and City Council of the City of Page passed ordinance number 497-06. Ordinance 497-06 amends ordinance 457-03, page 5, and extends the date of repeal of the privilege tax imposed by that ordinance to July 31, 2010. The effect of this amendment is that the privilege and use tax rate reported under code PG000 and PG002 remains at 3% through July 31, 2010.

AVOID DELAYS IN THE PROCESSING OF YOU BUSINESS TAX RETURN OR PAYMENT BY FOLLOWING THESE SIMPLE STEPS

For Transaction Privilege and Use tax

- Check to make sure the form you are submitting is a *current* ADOR form
(*Current forms are always available on www.azdor.gov*)
- Verify the Period Beginning and Period Ending dates are correct
- Verify the State License Number is correct
- Verify the amounts you entered are for the correct period you are reporting for
- Verify your math
- Verify you are using the correct mailing address for submitting your return or payment

For Withholding tax

- Check to make sure the form you are submitting is a *current* ADOR form
(*Current forms are always available on www.azdor.gov*)
- Verify the Period End date is correct
- Verify the Quarter and Year are correct
- Verify the EIN is correct
- Verify the amounts you entered are for the correct period you are reporting for
- Verify your math
- Verify you are using the correct mailing address for submitting your return or payment

To ensure proper posting of your returns and payments, please use the following addresses:

Transaction Privilege (Sales) and Use Tax

PO Box 29010
Phoenix AZ 85038-9010

Withholding Tax

PO Box 29009
Phoenix AZ 85038-9009

Corporate, S-Corp, Partnership and Exempt Organization Tax

PO Box 29079
Phoenix AZ 85038-9079

Looking for Forms?

State individual income tax forms are available at our offices and on our website, www.azdor.gov. The department will not provide federal forms. The IRS website is www.irs.gov.



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